



Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Robert Pernell and seconded by Commissioner Katie Anderson:

RESOLUTION

A resolution authorizing and approving a Work-Out Agreement by and among the Louisiana Housing Finance Agency (the "Agency"), the United States Department of Housing and Urban Development ("HUD") and the nonprofit owners of six (6) Section 8 Assisted – 202 Elderly Projects (the "Projects") financed by the Agency and HUD under HUD's Risk Sharing Program; and providing for other matters in connection with the foregoing.

WHEREAS, the Board of Commissioners (the "Board") of the Louisiana Housing Finance Agency refinanced eighteen (18) 202 loans pursuant to Section 202 HOME/Risk Share Applications approved by the Agency and financed by the Agency's Multifamily Mortgage Revenue Bonds (Section 8 Assisted – 202 Elderly Projects) Series 2003A" (the "Bonds"); and

WHEREAS, eleven (11) of the eighteen (18) Projects defaulted on their Risk Sharing Loans and Subordinate Loans as a result of the damage caused by Hurricane Katrina; and

WHEREAS, five (5) of the eleven (11) Projects have been restructured using a combination of FHA 221(d)(4) insurance and housing tax credits and have paid in full their Risk Sharing Loans and Subordinate Loans; and

WHEREAS, HUD has arranged to approve and execute Debenture Modification Agreements granting a waiver of 24 CFR Part 266.638(d) to suspend interest accruals on the Debentures for each of the remaining six (6) Projects that are in default for a period of eighteen (18) months from August 19, 2008 (the "Effective Date") subject to (i) the extension of the term of the Use Agreement dated as of November 19, 2003 to August 1, 2041 and (ii) the refinance and reconstruction of such Projects within eighteen (18) months; and

WHEREAS, HUD provided that the foregoing suspended interest will be reinstated and interest accruals will recommence if the refinance and reconstruction of each Project does not occur within eighteen (18) months of the Effective Date; and

WHEREAS, HUD has requested that the Agency transfer the benefit of the suspended interest in the Debenture Modification Agreements to each of the six (6) projects remaining in default pursuant to a Work-Out Agreement by and among the Agency, HUD and the nonprofit owners; and

WHEREAS, the nonprofit owners of each of the remaining six (6) Projects in default have obtained the commitment of the Federal Emergency Management Agency (“FEMA”) to reconstruct and/or restore each of the remaining six (6) Projects to their pre-Katrina conditions subject to any additional improvements required by local building codes; and

WHEREAS, FEMA has approved budgets for the restoration of each of the remaining six (6) Projects in accordance with the amounts specified in Exhibit A hereto; and

WHEREAS, a portion of the budgets specified in Exhibit A involves the demolition of all or a portion of such Projects; and

WHEREAS, the Board of Commissioners (the “Board”) of the Agency will authorize and approve the President and/or Chairman of the Agency to execute a Work-Out Agreement with each of the nonprofit owners and HUD subject to the approval of the terms and provisions by the Agency’s General Counsel and special counsel, Foley & Judell;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

SECTION 1. The preamble hereto is incorporated herein and the Agency’s General Counsel and Special Counsel are hereby authorized and directed to negotiate the provisions of a Work-Out Agreement permitting the Agency to suspend interest accruals on the Debentures for each of the remaining six (6) Projects that are in default for a period of eighteen (18) months from August 19, 2008 (the “Effective Date”) provided that the foregoing suspended interest will be reinstated and interest accruals will recommence if the refinance and the aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with the Act and with the approval of Counsel to the Agency or Bond Counsel.

SECTION 2. The Chairman, Vice Chairman, President, Vice President and/or Secretary, be and they are hereby approved, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Agency and

delivered to effect a work-out of the remaining six (6) Projects in accordance with the terms of this resolution.

SECTION 3. This resolution shall take effect immediately.

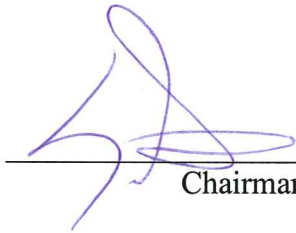

This resolution having been submitted to a vote, the vote thereon was as following:

YEAS: Wayne E. Woods, Allison A. Jones, John Kennedy, Guy T. Williams, Robert Pernell, Michael L. Airhart, Mayson H. Foster, Joseph Scontrino, III, Katie Anderson, Jerome Boykin, Sr.

NAYS:

ABSENT: J. Mark Madderra, Susan W. Sonnier, Tyrone A. Wilson, Walter O. Guillory

And the resolution was declared adopted on this, the 11th day of February, 2009.


Chairman
Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing three (3) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on February 11, 2009 authorizing and approving a Work-Out Agreement by and among the Louisiana Housing Finance Agency (the "Agency"), the United States Department of Housing and Urban Development ("HUD") and the nonprofit owners of six (6) Section 8 Assisted – 202 Elderly Projects (the "Projects") financed by the Agency and HUD under HUD's Risk Sharing Program; and providing for other matters in connection with the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 11th day of February, 2009.


Secretary

(SEAL)